



April 4, 2022

Honorable Kathy Hochul
Governor of New York State
NYS Capitol Building
Albany, NY 12224

Re: A766 (Rosenthal/S2762 (Ramos); An Act to amend the lien law in relation to employee liens: **Letter of Opposition**

Dear Governor Hochul:

The Westchester County Association (WCA) is a professional membership organization representing a diverse group of businesses and nonprofits that rely on us to advocate for policies and laws to foster economic development in the region and meet the needs of our communities. WCA's members include hundreds of the mid-Hudson region's foremost organizations in industries as diverse as healthcare, real estate, finance, law, energy, technology, hospitality, and higher education which collectively employ hundreds of thousands of workers. On behalf of our members, we strongly oppose the above referenced bill that would allow employees to obtain liens on employers' personal and real property at the mere allegation of wage theft, even before the allegation is proven.

There are many negative consequences that this bill would have on employers when a wage theft claim is made – no matter how specious the allegation. The consequences would be most acute for small businesses which lack the financial wherewithal to address the financial implications of a lien. The credit worthiness of a business is put at risk as is the potential of increased bankruptcies to deal with liens. Under state and federal law certain managers are deemed "employers" and, under the proposed legislation, they run the risk of having liens placed on their personal assets. The states that do allow liens against employers in wage disputes all require that the allegation be proven before a lien can be obtained. Furthermore, this bill expands the lien law well beyond "mechanics liens" which address business to business transactions.

Governor Cuomo has vetoed similar legislation in the past based upon the harm it would cause our businesses (particularly our small businesses) and the damage it would have on the economy. From an economic development perspective, New York State needs to increase its competitive desirability, not detract from it by creating outlier legislation. As the WCA has consistently advocated, laws such as these make it extremely difficult for the Westchester region and all of New York State to attract and retain business and talent.

For these reasons, the WCA strongly urges you to prevent this bill from becoming law.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael N. Romita". The signature is written in a cursive, flowing style with a large initial "M".

Michael N. Romita
President & CEO